

C-O-N-F-I-D-E-N-T-I-A-L

DDA Registry  
83-1292/9

MEMORANDUM FOR:

Legislation Division  
Office of General Counsel

26 MAY 1983

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FROM:

Harry E. Fitzwater  
Deputy Director for Administration

SUBJECT:

Required Payment of Federal Salaries  
by Electronic Fund Transfer (U)

REFERENCE:

Multiple Addressee Memo from OGC dtd 17  
May 83, Same Subject (OGC 83-09989)

1. In response to referent, the Directorate of Administration has reviewed the draft bill and explanatory letter concerning the use of Electronic Fund Transfer (EFT) to pay wages and salaries of Federal employees.

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2. Anticipating this proposed legislation, the Office of Finance has held several meetings with the Department of the Treasury to prepare for EFT implementation on an Agency-wide basis if it becomes law. This implementation will require considerable changes to our computer software in the Office of Data Processing. Since these changes are extensive and will consume approximately 1,200 man-hours to accomplish, there will have to be some flexibility in the required start-up date to be determined by the Secretary of the Treasury under the provisions of the draft bill.

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3. A more general concern is the fact that the proposed legislation will require all employees to designate a financial institution to receive their salary check by EFT. Those employees without bank accounts will be forced to open one, and those with accounts at non-EFT participating institutions will be forced to change institutions. The foregoing should be brought to the attention of those involved with the draft bill. (U)

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4. We ask that you keep us informed on the progress of the proposed bill in Congress. If you require additional information, please contact [redacted] DA Management Staff, extension [redacted]

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Harry E. Fitzwater

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